

NILKAMAL LIMITED

Date: 08/04/2024

CMP: 1950 • Target: 2150-2350 • Stoploss: 1770

Time Frame: 3-6 months

NILKAMAL-DAILY CHART



Technical Outlook

- On a daily scale, the stock had been consolidating within a falling channel pattern for the past eight months. However, on Friday, the stock witnessed a breakout of this consolidation with strong volume, suggesting strength in the stock. According to this breakout, the stock can potentially test levels of 2150 in the short term and 2350 in the medium term.
- The volumes observed during the breakout are higher than those during the consolidation phase, indicating strength in the breakout and increased buying interest in the stock. Additionally, the stock is firmly holding above the 50-Day Exponential Moving Average (DEMA), which was acting as resistance earlier. On the downside, the 21-DEMA is positioned near 1841. Therefore, any dips around 1840 present a favorable buying opportunity for the stock.
- On a daily scale, the Relative Strength Index (RSI) is positioned above the midpoint and has witnessed a breakout, reflecting strength in the stock.
- Based on the above technical setup, we recommend accumulating NILKAMAL at the current market price and on dips around 1850-1860 with a stop loss of 1770 on a closing basis for the targets of 2150 and 2350.

Fundamental Rationale

- Nilkamal Limited has diversified product portfolio and it is a leader in the domain of material handling and moulded furniture, expanding its portfolio to include metal furniture, educational and institutional furniture, mattresses, and lifestyle furnishings under the brand '@home'.
- It is Renowned for its excellence in plastic products and lifestyle furniture, has established a formidable brand presence. It caters to a diverse clientele across different sectors and geographical areas, demonstrating its ability to meet a wide range of consumer needs with its varied product lineup.
- The company prides itself on an expansive distribution network, including over 1,200 channel partners and more than 20,000 dealers across India. The company's strategic focus on increasing product accessibility and brand visibility, facilitated by frequent product launches and robust marketing initiatives.
- With a customer base surpassing 100,000, Nilkamal serves a broad spectrum of industries such as apparel, automotive, health and beauty, among others. This extensive reach not only highlights the company's critical role in the manufacturing and distribution landscapes but also reflects its adaptability to various market demands.
- The company continues to focus on increasing market penetration to ensure the entire product range is available in deeper pockets of the Country. Additionally, it is laying emphasis on delivering customizable Material Handling Solutions to its various new age Online & logistic Companies to gain large market share of this new segment. Hence we recommend "ACCUMULATE" the stock.

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